

August 24, 1999

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Will Allen Sustainable Cotton Project (SCP) 6176 Old Olive Hwy Oroville, CA 95966

Congratulations. Your CALFED Ecosystem Restoration Proposal, Biological Ag Systems in Cotton-BASIC-Reducing Synthetic Pesticides & Fertilizers in the No. SJ Vly (Proposal Number 99-C118), has been selected and conditionally approved for funding in the amount of \$460,000.00. This dollar amount is one-third of the proposal amount, and is intended to fund only the Merced County portion of this proposal.

With the change in dollar amount, you will need to revise the required Federal standard forms. Before the Federal government provides funds under grants and cooperative agreements, Federal Regulations require the proposed recipient complete and submit certain prescribed standard forms. These standard forms were included in the PSP under Attachment E and referenced as a proposal requirement on page 41. These forms are also available through the Internet at www.whitehouse.gov/omb/grants. For your convenience, we are enclosing copies of the following three forms:

Application for Federal Assistance (2 pages) SF-424

Budget Information-Non-Construction Programs (4 pages) SF-424A

Assurances-Non-Construction Programs (2 pages) SF-424B

The enclosed forms must be completed and submitted to the US Bureau of Reclamation, CALFED Coordination Office, 2800 Cottage Way, Sacramento, CA 95825-1898, Attention: MP-190, within 10 working days of the signed receipt for this letter. Failure to submit these standard forms by the deadline stated indicates non-responsiveness on your part and as such funding for your proposal will be rescinded.

A grant to fund your proposal will be prepared, executed and administered by the U.S. Bureau of Reclamation (USBR). A USBR representative will contact you within the next two weeks to begin preparing the scope of work and standard terms and conditions for your proposed grant. Enclosed is the suggested information to be included in each of these items. You are cautioned not to start work on your proposal until such time as a grant is executed between your agency and USBR.

A CALFED tracking number, 99-B14, has been assigned to your proposal. All future correspondence (letters, invoices, deliverables, reports, etc.) with either CALFED or USBR will require references to this number and the USBR grant number. We have enclosed the summary score sheet from the Technical Review Panel that evaluated your proposal. Additional information on the PSP results is available on the CALFED website at http://www.calfed.water.ca.gov or you may request a copy of this information, by calling (916) 657-2666.

Your grant with USBR will contain the requirements listed in the February 99 Proposal Solicitation Package (enclosed). These include:

Project proponent is responsible for ensuring compliance with all applicable laws and regulations including the National Environmental Policy Act (NEPA), the California Environmental Quality Act (CEQA), and other environmental permitting requirements, and will submit copies of all environmental compliance documents and permits;

· CALFED Agencies -

California The Resources Agency Department of Fish and Game Department of Water Resources California Environmental Protection Agency State Water Resources Control Board Department of Food and Agriculture

Federal

Environmental Protection Agency Department of the Interior Fish and Wildlife Service Bureau of Reclamation U.S. Geological Survey Bureau of Land Management U.S. Army Corps of Engineers

Department of Agriculture Natural Resources Conservation Service U.S. Forest Service Department of Commerce National Marine Fisheries Service Western Area Power Administration

- Project proponent prepares a plan indicating how the public, adjoining property owners and local governments will be informed or be allowed to participate in the project planning and development and permits;
- Project proponent develops a CALFED-approved Project Monitoring and Methods Plan, in order to show progress
 toward the intended ecological and biological objectives and to provide input to the adaptive management process of
 the CALFED Program. This plan must be developed before beginning any monitoring;
- Project proponent may be required to make oral presentations at annual review meetings;
- Project proponent submits quarterly progress reports on time and complete;
- Project proponent furnishes proof of the availability of cost sharing funds (if CALFED is funding only a portion of the project); and
- Project proponent submits a final report at the end of the project.

Failure to comply with these grant requirements in a timely and responsive manner may jeopardize funding of your project. USBR, based on recommendation from CALFED, reserves the right to withdraw funding or withhold payment on the Agreement based on failure to comply with disclosed requirements in a timely and responsive manner.

The California Department of Fish and Game's (CDFG) Central Valley Bay-Delta Branch is available to assist you with identification of project requirements, information on processing permit applications or environmental documentation, determination of readiness of applications, and facilitation of resolution to problems related to permits or environmental documentation. For assistance, contact CDFG at (209) 948-7800 or e-mail to: PermitsInfo@delta.dfg.ca.gov.

We are sending these results to you as the main point of contact for this proposal. Please contact the other members of your application team and inform them of the results. We look forward to working with you. If you have any questions, please contact Nan Yoder at U.S. Bureau of Reclamation, (916) 978-5523, fax (916) 978-5528 or Peter Jacobsen at CALFED Bay-Delta Program (916) 653-3790.

Sincerely,

Lester A. Snow Executive Director

Enclosures

cc: U.S. Bureau of Reclamation, CALFED Coordination Office California Department of Fish and Game